

HOUSE BILL NO. 12

INTRODUCED BY SESSO

BY REQUEST OF THE DEPARTMENT OF ENVIRONMENTAL QUALITY AND THE OFFICE OF BUDGET
AND PROGRAM PLANNING

A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS TO FUND THE STATE BUILDING ENERGY CONSERVATION PROGRAM AND CREATING A STATE DEBT; PLEDGING THE CREDIT OF THE STATE OF MONTANA TO SECURE THE BONDS; APPROVING ENERGY CONSERVATION PROJECTS FOR FISCAL YEARS 2006 AND 2007; APPROPRIATING BOND PROCEEDS TO THE DEPARTMENT OF ENVIRONMENTAL QUALITY; CLARIFYING THE REQUIREMENT THAT STATE AGENCIES PROVIDE INFORMATION CONCERNING POTENTIAL ENERGY SAVINGS; AMENDING SECTION 90-4-605, MCA; AND PROVIDING AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 90-4-605, MCA, is amended to read:

"90-4-605. Preparation of energy conservation program. (1) The department shall ~~work with state agencies to~~ identify buildings that have a potential for energy savings, based on age, energy use, function, and condition of the building. Upon request of the department, a state agency shall provide the department with information necessary to allow the department to comply with this requirement.

(2) Based on the criteria in subsection (1) and on the feasibility of leveraging other funds, such as federal and utility energy conservation program money, the department shall select certain facilities for indepth energy analyses to identify the technical and financial feasibility of making energy conservation improvements to the facilities.

(3) Upon completion of the energy analyses, the department shall identify estimated costs and savings to the state based on these analyses. If the estimated savings are determined to be greater than the bond payment costs for a particular project, the department shall notify the department of administration. Upon receipt of the notification, the department of administration shall implement a design and construction project using bond proceeds for the costs of the project.

(4) The department shall compile a report that must include the following:

1 (a) a listing of contacts between the department and other state agencies;

2 (b) a summary of the department's review of agency requests and a selection of projects for indepth
3 analysis;

4 (c) a summary of the energy analyses conducted by the department, including the estimated cost of
5 each proposed project and the estimated energy cost savings of each proposed project; and

6 (d) a listing of additional projects under consideration, for which energy analyses have not been
7 conducted.

8 (5) The department shall submit the report required by subsection (4) to the governor before September
9 1 of each even-numbered year."

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11 **NEW SECTION. Section 2. Bond authorization -- APPROPRIATION.** (1) The board of examiners may,
12 pursuant to 90-4-611, issue and sell bonds of the state in an aggregate principal amount not to exceed ~~\$2.5~~
13 \$3.75 million for fiscal years 2006 and 2007 for the projects approved in [section 3] and to fulfill the duties
14 imposed by 90-4-605 and 90-4-607, as provided in [section 4]. The bonds are general obligations for which the
15 full faith and credit and taxing powers of the state are pledged for payment of the principal and interest on the
16 bonds. The bonds must be issued as provided by Title 17, chapter 5, part 8.

17 (2) The proceeds of the bonds, other than any premiums and accrued interest received, must be
18 deposited in the energy conservation program account established by 90-4-612. Premiums and accrued interest
19 must be deposited in the debt service fund established in 17-2-102. Proceeds of bonds deposited in the energy
20 conservation program account may be used to pay the costs of issuing the bonds, to fulfill the duties authorized
21 by 90-4-605 and 90-4-607, and to fund the projects approved in [section 3]. For the purposes of 17-5-803 and
22 17-5-804, the energy conservation program account constitutes a capital projects account. The bond proceeds
23 are appropriated to and must be available to the department of environmental quality and may be used for the
24 purposes authorized in this section without further budgetary authorization.

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26 **NEW SECTION. Section 3. Approval of energy conservation projects--definition--appropriation.**
27 (1) Pursuant to Title 90, chapter 4, part 6, the legislature approves for fiscal years 2006 and 2007 the following
28 energy conservation projects:

29 (a) Mitchell building, phase II and capitol energy projects, department of administration, Helena,
30 Montana;

(b) Miles City headquarters building, department of fish, wildlife and parks, Miles City, Montana;

(c) ~~advanced technology center and campus irrigation project~~ PERSHING AND BROCKMAN HALLS, Montana state university-northern, Havre, Montana;

(d) petroleum building, Montana tech of the university of Montana, Butte, Montana; ~~and~~

(e) Montana mental health and nursing care center, phase II boiler upgrade project, department of public health and human services, ~~Helena~~ LEWISTOWN, Montana;

(F) BOILER REPLACEMENTS IN ACADEMIC SUPPORT CENTER, McMULLEN HALL, MONTANA STATE UNIVERSITY-BILLINGS, BILLINGS, MONTANA;

(G) HIGH SIDE KITCHEN VENTILATION, MEN'S PRISON, DEPARTMENT OF CORRECTIONS, DEER LODGE, MONTANA;

(H) HEALTH SCIENCES PHASE II GROUND WATER COOLING AND HEATING, VENTILATION, AND AIR CONDITIONING IMPROVEMENTS, UNIVERSITY OF MONTANA-MISSOULA, MISSOULA, MONTANA;

(I) IRRIGATION AND ASPEN HALL, MONTANA SCHOOL FOR THE DEAF AND BLIND, GREAT FALLS, MONTANA;

(J) BOILER REPLACEMENT, WOMEN'S PRISON, DEPARTMENT OF CORRECTIONS, BILLINGS, MONTANA; AND

(K) WOOD-FIRED BOILER, UNIVERSITY OF MONTANA-WESTERN, DILLON, MONTANA.

(2) In addition to the energy conservation projects referred to in subsection (1), the department of environmental quality may expend funds appropriated under [section 4] to respond to energy saving opportunities. Energy saving opportunities include coordination of energy improvement projects with the long-range building program capital improvement projects.

(3) For purposes of this section, "energy saving opportunities" means opportunities to improve energy use that will provide significant energy and cost savings to the state and that will be technically infeasible or uneconomical if the department of environmental quality is delayed in providing the necessary funds until specific legislative approval can be obtained.

(4) If the costs of the projects authorized in subsections (1) and (2) are substantially below the bond amount authorized in [section 2], the department of environmental quality may fund projects that would be proposed as part of the state building energy conservation package for fiscal years 2008 and 2009.

NEW SECTION. **Section 4. Appropriation of bond proceeds.** The amount of \$400,000 is appropriated from bond proceeds authorized by Chapter 50, Laws of 1999, Chapter 240, Laws of 2001, Chapter 497, Laws of 2003, and [section 2] to the department of environmental quality in order to fulfill its duties under 90-4-605 and 90-4-607. This appropriation is a biennial appropriation for the 2007 biennium only.

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2 NEW SECTION. **Section 5. Two-thirds vote required.** Because [section 2] authorizes the creation

3 of state debt, Article VIII, section 8, of the Montana constitution requires a vote of two-thirds of the members of

4 each house of the legislature for enactment of [section 2].

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6 NEW SECTION. **Section 6. Effective date.** [This act] is effective July 1, 2005.

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